

# **MINUTES OF**

## **THE RHODE ISLAND INDUSTRIAL-RECREATIONAL BUILDING AUTHORITY**

**Meeting #433 – September 8, 2006**

**PRESENT: Frank R. Benell -- Chairperson**

**Michael S. Imbruglia -- Member**

**William B. Sweeney -- Member**

**ABSENT: Frances H. Gammell-Roach -- Vice Chairperson**

**ALSO PRESENT: Earl F. Queenan, Jr. -- Manager**

**Alicia A. Pomfret -- Assistant Manager**

**Anthony J. Scolavino -- Sr. Financial Program Administrator**

**Thomas V. Moses, Esquire -- Legal Counsel**

**Meredith Holderbaum – Senate Fiscal Office**

**The meeting was held at One West Exchange Street, Providence, and was called to order by Chairman Benell at 8:43 a.m.**

**Mr. Benell presented the Minutes of the Meeting held on July 14, 2006.**

**Following review and discussion, a motion to approve the Public and Executive Session Minutes as submitted was made by Mr. Imbruglia, was seconded by Dr. Sweeney, and was adopted unanimously. A vote by roll call was then held:**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**Mr. Benell requested a motion to maintain the confidentiality of the Executive Session Minutes of the Meeting of July 14, 2006. A motion was made by Mr. Imbruglia, was seconded by Dr. Sweeney, and was unanimously approved. A roll call vote was held:**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**Mr. Benell presented the Watch List as of August 31, 2006. Mr. Queenan performed a review of AKL FLEXO TECH-USA, LP. Mr. Moses reviewed the status of ULTRA FINE POWDER TECHNOLOGY. Mr. Queenan noted that CHESTNUT HILL AVIATION will be included in the next Watch List.**

**Mr. Benell presented the Portfolio Report as of August 31, 2006.**

**Following Mr. Queenan's review and discussion, Mr. Imbruglia made a motion to accept the report as submitted, Dr. Sweeney seconded, and it was unanimously approved. A vote by roll call was taken:**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**Mr. Benell presented the Authority's Draft Audited Financial Statements for the Fiscal Years Ended June 30, 2006 and 2005. Mr. Queenan performed a review of the Financial Statements. He noted that the auditors issued a clean opinion. Following discussion, a motion to accept the Financial Statements as presented was made by Mr. Imbruglia, was seconded by Dr. Sweeney, and was unanimously approved. A roll call vote was held:**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**Mr. Benell presented the Continuing Resolution of Moses, Afonso, Jackvony, Ltd. as Legal Counsel. Mr. Moses noted that his firm is on the Rhode Island Economic Development Corporation's Legal Counsel Request for Proposal. They are one of five approved bond counsel firms for the RIEDC. The firm has more than thirteen years**

experience with mortgage insurance and bond work. Mr. Moses gave a history of his prior employment experience with the City of Providence and with the RIEDC. He discussed projects that his firm is currently working on, and named some of his firm's clientele. Mr. Queenan recommended approval, and Mr. Benell recommended approval. Following this, a motion to approve the continuance of Moses, Afonso, Jackvony, Ltd. as Authority Legal Counsel and to approve the hourly rate at the same rate as the RIEDC approved rate of \$200 effective July 1, 2006 was made by Dr. Sweeney, was seconded by Mr. Imbruglia, and was approved unanimously. A vote by roll call was then taken:

Mr. Imbruglia – aye

Dr. Sweeney – aye

Mr. Benell – aye

Mr. Benell presented a Draft Settlement Agreement prepared for Alexander Schemann, on behalf of the estate of his deceased father, Dr. Paul Guenther Schemann. Mr. Moses verbally provided a background of the guarantors and the AKL FLEXO TECH-USA, LP transaction. He discussed the judgments against the three guarantors and explained the enforcement issues under German law. It would cost the Authority \$300,000 to file a claim in the German Court. German law makes it very difficult for non-Germans to collect on these types of claims. Following further discussion and review of the proposal, a motion was made by Dr. Sweeney to approve the

**proposed Settlement Agreement, was seconded by Mr. Imbruglia, and was unanimously adopted. A roll call vote was held:**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**Under administrative matters, Mr. Queenan presented a proposed Budget for the Authority for the Fiscal Year Ending June 30, 2008. Following review and brief discussion, a motion to approve the Budget was made by Mr. Imbruglia, was seconded by Mr. Sweeney, and was unanimously approved. A vote by roll call was taken:**

**Mr. Imbruglia – aye**

**Dr. Sweeney – aye**

**Mr. Benell – aye**

**There being no other business to discuss, Mr. Benell requested a motion to adjourn.**

**Mr. Imbruglia motioned, Mr. Sweeney seconded, and it was unanimously approved to end the meeting.**

**The meeting adjourned at 9:52 a.m.**

**Respectfully submitted,**

**Alicia A. Pomfret**  
**Assistant Manager**